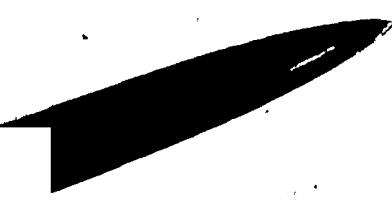


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MEMORANDUM in support of an Address to Her
Majesty from the Inhabitants of the Red River
Settlement, praying to be formed into a Crown
Colony.

THIS Settlement was founded by Lord Selkirk (then one of the principal partners in the Hudson's Bay Company) in 1811. It was beset with great difficulties from its first foundation, owing to the following causes: — When the Charter of the Hudson's Bay Company was granted by Charles the Second in 1670, the Valleys of the Assiniboine, Saskatchewan, and Red River, formed a part of *La Nouvelle France*, and were in the possession of subjects of the French King, by virtue of Charter granted by Louis the Thirteenth, bearing date 1626. They had erected forts and established hunting stations in many parts of the territory. By the conquest of Canada this territory came into possession of the British Crown, and shortly afterwards British subjects resident in Canada engaged in the fur trade, and carried out their enterprise through the North West Territory to the shores of the Pacific. In 1784, these traders united and formed the "North West Company of Montreal." They had about 12,000 men employed in the trade, which they carried on even to the shores of Hudson's Bay. The Hudson's Bay Company having by the conquest acquired the same rights as other British subjects, extended their trade in 1793 into the Valleys of the Assiniboine and Saskatchewan, which, up to that period, had been in the exclusive possession of the North West Company. The spirit of competition led to frequent conflicts between the Companies in which the Hudson's Bay Company almost invariably got the worst of it. This led to Lord Selkirk, in the interest of the Hudson's Bay Company, taking over from Scotland a large number of people, and settling them at Red River (in 1811), the avowed object being to overawe the North West Company; a serious fight was the result, the new Governor of the Settlement and 20 other of the Hudson's Bay men, were killed by the North West Company's people, and the Colony was dispersed. Litigation and fighting succeeded each other in turns until the Companies amalgamated in 1821, under the name of the Hudson's Bay Company, and from that time to the present the country has been practically in the possession of that Company.

Up to the period when the Companies coalesced, the North West Company had carried on their trade to and from Canada and the Red

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River country, by way of Lake Superior, but on the amalgamation this route was closed, virtually disconnecting the Red River Settlement from Canada, and thereby rendering that Settlement useless for any purposes but the fur trade. In fact, it became the interest of the Company to isolate their territory as much as possible, so as to prevent new competitors in the fur trade, and therefore every possible obstruction was thrown in the way of free settlers acquiring land or carrying on any trade or barter with the outer world, and the settlers were reduced to actual serfdom: but that spirit of tenacity inherent in the Anglo-Saxon race has survived it all, and the Red River Settlement, with no Government, save that provided by the Charter of the Hudson's Bay Company, numbers at this day 12,000 inhabitants. It would be tedious to your Grace to go through the many complaints which the inhabitants of this Settlement have addressed to Her Majesty from time to time of the injuries and injustice they have suffered at the hands of the Company. They, however, believe that an immediate brighter future is before them, and are therefore willing to bury the past in oblivion. Their object is to shew your Grace that their country possesses all the natural elements to make a great and prosperous Colony, and to become a source of strength, instead of weakness and reproach, to the mother country.

Taking the North West Territory to commence near Fort William on Lake Superior, and going directly westward to the Rocky Mountains, is a distance of about 1,200 miles, and following the course of Mille Lac, Rainy Lake, and Lake of the Woods, the Assiniboine and Saskatchewan Rivers, there is a fertile belt of an average breadth exceeding 100 miles throughout the whole distance, a great portion of which is at once available for agriculture..

The course of the rivers run nearly east and west, preserving thereby an equal temperature, and afford great facilities of transit.

Your Grace's particular attention is directed to the authorities upon that part of the country lying between Lake Superior and the Red River Settlement, inasmuch as there is an impression abroad that an unpassable barrier exists between Canada and this Settlement, and that the only practical route is through the United States. Sir Alexander Mackenzie says—"There is not perhaps a finer country in the world for uncivilized man. It abounds in everything necessary to the wants and comforts of such a people. Fish, venison, and fowl, with wild rice, are in great plenty." Sir George Simpson, in his "Journey Round the World," says, that "The country between Lake of the Woods and Rainy Lake is most favourable

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" to agriculture, resembling in some measure the Banks of the Thames at " Richmond. * * * It is too much for the eye of philanthropy to " discern through the vista of futurity, this noble stream, connecting as " it does the fertile shores of two spacious lakes, with crowded steamboats " on its bosom and populous towns on its borders."

In 1858, the Government of Canada, anxious to open up a mail and passenger route through this country to the Red River Settlement, caused the country to be explored and the navigation examined by Mr. Simon Dawson, an engineer of some eminence in Canada; he reported that by an outlay of £80,000 in the construction of roads, and the erection of two locks, so as to avoid some of the rapids on one of the rivers, a thoroughly good serviceable mixed route—of about 300 miles of steamboat navigation and 200 miles of road—could be established: the entire distance being 505 miles (the distance in an air line is 356 miles). Mr. Dawson's estimates were carefully examined and confirmed by Mr. James Brunless and Mr. G. B. Bruce, two eminent engineers in this country. Upon this report, the Canadian Government at once contracted for a temporary mail service to Red River, which was satisfactorily performed for one season, when the spirit of competition led to its being transferred to a new Company, which failed after one year's working through want of capital. In February, 1863, the Canadian Government, by an Order in Council, voted a subsidy of £10,000 a year for the performance of this service, the Contractors to make the roads and improve the navigation; the inhabitants of Red River agreed to make the road, at their own expense, from Red River to Lake of the Woods, 115 miles; but before arrangements were completed a change in the Hudson Bay Company took place, wherein they announced their intention of at once opening up the North West Territory for Settlement, and constructing a road and telegraph from Canada to British Columbia. This had the effect of causing Canada not to conclude the contract then under negotiation; the Hudson's Bay Company, however, have not fulfilled any part of their promise, but, on the contrary, have deliberately, by vote of their Shareholders, declined to take any steps towards colonizing the country.

The practibility of a connexion between Canada and the Red River Settlement through British territory, as the shortest and the best, has been amply demonstrated; for, even at the period when the North West Company carried their trade by this route, as many as 3,000 traders were frequently assembled at Fort William on Lake Superior, when the entire population of Toronto did not number 500.

The distance from Toronto to the Red River Settlement by this route is as follows:—

| | Miles |
|--|--------------|
| Toronto to Collingwood, on Lake Huron, by railway | 95 |
| Collingwood to Nipigon Harbour, on Lake Superior, by steamer | 450 |
| Nipigon Harbour to Red River, by steamer and road | 505 |
| | <hr/> |
| | 1,050 miles. |

The present route by way of the United States is as follows:—

| | Miles |
|--|--------------|
| Toronto to St. Paul, Minnesota, by railway and steamer (208) | 1,018 |
| St. Paul to Georgetown, by road | 290 |
| Georgetown to Red River Settlement, by steamer | 480 |
| | <hr/> |
| | 1,788 miles. |

Red River Settlement is the seat of Bishoprics of the Anglican and Roman Catholic Churches, who have missions throughout the country, from Canada to the Rocky Mountains, and from the 49th Parallel to the Arctic Regions. The greater portion of the inhabitants of the Settlement are engaged in agricultural pursuits, but the market for their produce is limited to their own requirements, owing to the want of an outlet on the great lakes.

The extensive valleys of the Red River, the Assiniboine and Saskatchewan, rests on a bed of limestone, which extends all the way to the Rocky Mountains. The land is exceedingly fertile, and produces the finest wheat in greater abundance on the same area of cultivation than in any part of the known world, the average exceeding 40 bushels an acre, and it is produced for many years in succession on the same land without the application of manure, and is entirely free from insect. Cattle also thrive remarkably well, and are entirely free from disease; they find ample food out of doors during the winter months. On this head it is only necessary to state that in the valleys of the Saskatchewan and Assiniboine are to be found the most numerous herds of buffalo on the North American continent.

Colonel Crofton, in his evidence before the Select Committee of the House of Commons in 1857, said, "The season opens about the first week in April, and closes about the middle of November, the same as Upper Canada. I had a good opportunity of seeing the results of agriculture; they grow oats and barley, but chiefly wheat and all sorts of vegetables, wheat ripens in 90 days from sowing, and it is the finest wheat I ever saw. The country is all geologically limestone, and wherever limestone is, the land is fertile. I have ascertained from servants of the Hudson's Bay Company that limestone extends as a base of the whole prairie lands to the Rocky Mountains. The territory is fit for agriculture, and might maintain millions of people."

From the mouth of the Saskatchewan, on Lake Winnipeg, that river is navigable for upwards of 800 miles westward to the Rocky Mountains, and the whole country, from its even surface, is peculiarly favourable for the construction of roads or railways. The explorations of Captain Palliser and Dr. Hector, made at the instance of the Imperial Government, have demonstrated this fact, and proved a favourable passage through the Rocky Mountains, practically connecting this territory with the Colony of British Columbia.

Sir John Richardson and others have also proved that an immense coal deposit exists in the valley of the Saskatchewan, and recent explorations have led to the discovery of extensive gold deposits, which are believed to be fully equal, both in extent and richness, to those on the Pacific Coast.

The following is an extract from a review by the "Toronto Globe," on the report just made to the Secretary of the Treasury of the United States, in reference to gold mining in this region:—

" This report has a suggestive passage in reference to the Saskatchewan gold district. Mr Taylor tells us that a belief is prevalent among the mining population of the American territories that the richest mines are to be found near the sources of the Saskatchewan. He says 'that a sudden migration of thousands may at any moment be anticipated.' He conjectures that the intelligence received in Oregon last year of the rich washings on the British side of the boundary 'may be the signal of a movement over the border into the Saskatchewan basin, as remarkable as that which filled the valley of the Fraser River with miners from

" California and Oregon in 1859.' In view of such an occurrence, it behoves the British or Canadian authorities to make provision as speedily as possible for the opening of communications and the efficient administration of justice in that region. The considerations of both a social and political character which demand early attention to this point cannot be safely disregarded. Aside altogether from this view of the case, the North West should not longer be neglected, and, if these speculations are well founded, the duty is immediate and imperative."

Looking at the country in a purely agricultural view, it will be found that the corresponding district in Russia, in the same climate, is the most populous and flourishing of the whole Empire.

Having shewn by reference to reliable authorities that no natural barriers exist to the physical union of the British North American Colonies from the Atlantic to the Pacific Ocean, the only question remaining being the disposal of the claims of the Hudson's Bay Company, so that the North West territory may be at once placed under a properly-organized Government, who can undertake the construction of roads, survey and lay out the land for settlement, and establish communication with Canada on the one hand and British Columbia on the other, thereby forming direct communication with the whole British North American Confederation.

There are many strong and urgent reasons why Her Majesty's Government should take upon themselves the solution of this question. The Earl of Carnarvon, in moving the Second Reading of the British North American Confederation Bill, in the House of Lords, on the 19th of February last, said : " There is, indeed, a question of great importance and intimately connected with the future fortunes of the Confederate Provinces, and I may, perhaps, be asked why it finds no place in this measure. My Lords, I am fully alive to the urgent importance of coming to some settlement of the Hudson's Bay Company's claims. The progress of American colonization in the West, and the confederation of the Provinces in the East, render an early decision necessary. But till this union is completed, it would be a waste of time to discuss the relations of the Hudson's Bay Company's territories to the Provinces. When once this Bill becomes law, it will be the duty of Her Majesty's Government not to lose one day unnecessarily in dealing with this great subject."

Whatever rights the Hudson's Bay Company possess they have derived them from the Crown and Imperial Parliament ; they have derived none

from Canada, either under the French or English dominion. The amalgamation of the North West Company with the Hudson's Bay Company in 1821, and the Act of the 1st and 2nd George the 4th, granting to the Hudson's Bay Company the exclusive privilege of trade for 21 years, and renewed in 1838 for a further period of 21 years, throughout all that part of the North West Territory, not included in the Charter of the Company, practically excluded from the territory all independent traders from Canada or elsewhere.

That license of exclusive trade did not give the proprietorship of the soil to the Company; and the territory was not covered, as we have shewn by the Companies' Original Charter, but it gave them actual possession, which they have to this day maintained, and which the Crown and Imperial Parliament have repeatedly recognised.

The Company cannot, therefore, put their claims to the territory on higher ground than "possession," and that is probably quite sufficient to entitle them to a fair and even liberal consideration at the hands of the Imperial Government.

If the claim to dominion, as absolute proprietors of the soil, which the Company set up to this territory, under their charter, is well founded, then the subject is one for the gravest consideration; for in that case there is nothing to prevent them selling it to the Government of the United States, or to citizens of the United States, with a nominal location in London, with a real one in New York or Washington. If this were done, it is the opinion of persons well able to judge that not three years would elapse before railway communication would be extended from Minnesota to Red River, and the North-West Territory overrun by a population of not less than 500,000 American citizens.

If Russian America is worth \$7,000,000 to the United States, this territory is probably worth \$70,000,000; for Mr. J. W. Taylor, in his Report to Congress on this portion of the territory, states that it possesses all the capacity and natural resources to form three great prosperous States.

Of the present state of things, the people of the United States have just grounds of complaint. They see a great fertile country—capable of supporting a population of from 20 to 30 millions of people—extending for more than 1,000 miles along their North-West Frontier, where colonization is strictly prohibited, over which they are not allowed to hunt, and where they are not permitted to trade, but where the Red

Indian roves in all his native majesty, and occasionally indulges in a raid across the borders, and scalps a whole settlement, in the Territories of Minnesota and Dacotah.

Whether the Crown had the power or not to grant such a Charter; whether it was wise in Parliament to pass the Act of 1821, giving the exclusive privilege of trade, or whether the Home Government have done right in so long permitting the Company to possess the territory, to the exclusion of civilization, are questions which cannot fairly be raised by the people of the United Kingdom against the Company. Englishmen have invested their money upon the faith of these grants and acts and recognitions and omissions, and are entitled to ask for some protection at the hands of the Imperial Government. But should the Imperial Government decline to undertake the settlement of the question, and leave it to the new Confederation to deal with, under the 119th Clause of the British North American Union Act, which reads as follows:—

“ 119. It shall be lawful for the Queen, by and with the advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of Parliament of Canada, and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward's Island, and British Columbia, to admit those Colonies or Provinces, or any of them, into the Union. And on an address from the Houses of Parliament of Canada to admit Rupert's Land, and the North Western Territory, or either of them, into the Union, on such terms and conditions, in each case, as are in the Addresses expressed, and as the Queen thinks fit to approve, subject to the Provisions of this Act: and the Provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland.”

Proceeding under this, Canada can, with the most perfect truth say: “ That from a period within a few years after we came under British dominion to the present day, we have on every available occasion, in our Legislatures, before Committees of the House of Commons, and in our correspondence with the Imperial Government, protested against the legality of the Charter itself, against the line of boundary which the Company have presumed to draw, and against their pretensions to either sovereign jurisdiction, territorial right, or exclusive privilege of trade. We have resisted the Company by force of arms, and we have, in our courts of law, condemned in heavy damages the agents of the Company for illegal acts done in the territory. We have done this in the face

" of day, and the fact is so patent, that every Shareholder of the Company,
 " who did not know them before he became a Shareholder, may be assumed
 " to have been wilfully ignorant.

" That this territory was in possession of the French at the
 " date of the Company's Charter, and was just as much a part
 " of Canada as the Province of Quebec, and the time has now
 " arrived when the colonization of this vast and fertile territory
 " cannot longer be delayed. Its progress cannot be restricted by
 " any onerous terms of compensation or uncertainty as to the tenure of the
 " land which must be *given away freely and absolutely* for many years to
 " come to all suitable settlers. We shall, therefore, proceed to carry to their
 " logical conclusion the opinions we have always entertained as to our
 " undoubted right to this country, by proceeding to open it up by the
 " construction of roads, survey and lay out the lands, invite settlers, and
 " pass laws for their government and protection.

By this process the Hudson's Bay Company would be involuntarily compelled to abandon the territory, or, by proceeding in a Court of Law, to prove first the validity of their Charter and secondly that this territory was comprised within its boundaries; for it would be impossible for the Company to offer any effectual physical resistance to a settlement of the territory supported by the Confederation; but it would probably engender bitter feelings of hostility between the new settlers and the servants (who are also partners) of the Hudson's Bay Company, and who are a numerous, enterprising, and highly respectable body of men, whose cordial co-operation it would be most desirable to retain. And in resorting to litigation, the Company would be forced into the position of plaintiffs, who would have to appeal to Canadian Courts of Law in support of questionable Royal Grants and Imperial Legislation and recognition, which Canada has always held to have been contrary to public policy. It would be next to impossible for the Imperial Government to steer clear between the contending parties. The decision in a Court of Law would in any case be distasteful either to the Company or the Confederation. And then, after a great amount of mischief had been done and expense incurred, the matter, before being finally settled, would probably require mutual concession and compromise.

In 1857 the Hudson's Bay Company, proposed to transfer the whole property and rights of the Company to the Crown on being guaranteed 10 per cent. (the same as the East India Company) on their capital. This was considered equal to an offer to sell for £1,000,000.

The Company, in their return to Parliament in 1857, set out their assets as follows:—

| | |
|-----------------------|------------------------|
| 1st June, 1865. | <i>£ s. d.</i> |
| Amount of Assets | 1,468,301 16 3 |
| Amount of Liabilities | 203,233 16 11 |
| CAPITAL | <u>£1,265,067 19 4</u> |

Consisting of—

| | |
|---|--------------|
| Stock, standing in the names of the Proprietors | 500,000 0 0 |
| Valuation of the Company's lands and buildings, exclusive of Vancouver's Island and Oregon | 318,884 12 8 |

Amount expended up to 16th September,
1856, in sending miners and labourers to
Vancouver's Island, in the coal mines, and
other objects of colonisation, exclusive of the
trading establishments of the Company, and
which amount will be repayable by Govern-
ment if possession of the island is resumed

87,071 8 3

Amount invested in Fort Victoria and other
establishments and posts in Vancouver's
Island. This amount is not exactly ascer-
tained, as the last accounts have not been
received from Fort Victoria, but is esti-
mated at

75,000 0 0

Amount paid to the Earl of Selkirk for Red
River Settlement

84,111 18 5

Property and investments in the territory of
Oregon, ceded to the United States by the
treaty of 1846, and which are secured to the
Company as possessory rights under that
treaty, 1,000,000 dollars, say

200,000 0 0

£1,265,067 19 4

On the 15th June, 1863, the following letter was addressed to the
Shareholders of the Hudson's Bay Company:—

" HUDSON'S BAY HOUSE,

" LONDON, June 15th.

" SIR,—An opportunity now offers to the Proprietors for disposing
" of their Stock in this Company at the rate of £300 for £100 Stock, ex
" July dividend.

" You are no doubt aware that for some years past the price has
" ranged below £200.

" The parties who are prepared to take the Stock at the above price
" have, it is understood, in view the extension of the operations of the
" Company to objects not heretofore contemplated; and as Members of
" the Committee of the Company we, as well as a large number of the
" principal Proprietors, have already assented to a sale of our Stock upon
" the proposed terms.

" We have considered it right to stipulate that every Proprietor shall
" have the option of disposing of his Stock at the same price, and we have
" therefore to request that you will inform us, on or before the 22nd
" instant, whether you are disposed to sell your Stock at the price we
" have mentioned, and should you determine to do so, will you be so good
" as to sign and forward to us the accompanying letter, under cover to
" Thomas Fraser, Esq., Hudson's Bay House, London.

" We are, Sir,

" Your obedient Servants,

" H. H. BERENS, Governor,

" EDWARD ELICE, Deputy-Governor,

" SELKIRK,

" R. W. PELLY,

" A. MATHISON,

" EDEN COLVILLE,

" KIRKMAN D. HODGSON,

" GEORGE LYALL,

" RICHARD BENYON."

The purchasers on inviting new Subscribers set out the assets as follows:—

“The Subscribers will be entitled to an interest corresponding to the amount of their subscriptions, in

- “ 1. The assets (exclusive of Nos. 2 and 3) of the
“ Hudson's Bay Company, recently and specially
“ valued by competent valuers at £1,023,569.
- “ 2. The Landed Territory of the Company held under
“ the Charter, and which extends over an estimated
“ area of more than 1,400,000 square miles, or
“ upwards of 896,000,000 acres.
- “ 3. A cash balance of £370,000.”

| | |
|---|------------------|
| The original Stock consisted of 5,000 Shares of £100 each, which sold at £300 each, amounted to | £1,500,000 |
| Against which place Assets Nos. 1 and 3 | <u>1,393,569</u> |
| Leaving the entire of the Chartered Territory to represent an asset of only | <u>£106,431</u> |

The late Mr. Edward Ellice, in his evidence before the Select Committee of the House of Commons, said:—“ But I take this question of boundary to be a question of no importance at all. If the province of Canada requires any part of this territory, or the whole of it, for purposes of settlement, it ought not to be permitted for one moment to remain in the hands of the Hudson's Bay Company; and at the same time, less money than would be spent in a litigation upon the subject would be sufficient to indemnify the Hudson's Bay Company for any claim which they could have in giving up any disputed part of their territory. We attach very much importance to these questions, which are in fact of no importance in themselves. It would be much more for instance, for the interests of the Hudson's Bay Company to be upon a cordial and good understanding with the Government of Canada than to have any disputed question of right with respect to a certain quantity of land which can be of no use to the Hudson's Bay Company and which may be of use to the people of Canada.”

The terms of the Confederation Act, however, prevent it now being annexed to Ontario (formerly Upper Canada). It requires to be first formed into a separate province, and as such provision is made for its being admitted into the Confederation. If the Company are prepared to act in the spirit indicated by the late Sir John Pelly and Mr. Ellice, the Crown, resuming possession of the territory, and forming it into a separate province, appointing a Governor and Council for its Government, a satisfactory solution of this most important question can be arrived at without delay.

In conclusion, it will be seen from the Parliamentary Papers on this subject, that the Crown and Imperial Government and Parliament have incurred obligations in connexion with this question, which imposes on them the duty of removing the obstruction which prevents the colonization of this country.

1st. Because the original Charter of the Company rests upon a Royal Grant, which has been repeatedly recognized in several acts of the Imperial Parliament.

2nd. Because the Imperial Parliament have extended the powers and operations of the Company, by granting to them the sole and exclusive right of trade over all that portion of the North West Territory, which was not included in the Company's Charter, and of the greatest portion of which they are still in exclusive possession.

3rd. Because the Law Officers of the Crown have repeatedly given opinions that the rights claimed by the Company do properly belong to them.

Lord Lytton, in his letters to the Company of the 3rd of November, 1858, and 9th March, 1867; said that "Imperial, no less than Colonial interests were involved in the settlement of this question, that an early settlement was due to the material development of British North America and the requirements of an advancing civilization, that the course of events had rendered more urgent the policy of connecting the two sides of British North America without the obstacle of a proprietary jurisdiction between them." For these and other reasons, Lord Lytton expressed the most decided opinion, that it was the duty of Her Majesty's Government to find a solution of the question, and "to close a controversy too long open;" he justified those convictions by a devotion to the subject, which will remain as imperishable records of his able (and but too brief) administration of the Colonial Department. These opinions

of Lord Lytton were shared by his successor, the late Duke of Newcastle, and his Grace bestowed a great amount of attention to the subject, and it was his intention to have concluded an arrangement with the Hudson's Bay Company, and to form it into a Crown colony under the name of Hysperia.

If Her Majesty's Government should now decline to proceed further in arranging for the colonization of this country, and a settlement of the Hudson's Bay Company's claims, the inference which will be drawn will be that the Government find themselves unable find a solution of the question by friendly negotiation.

The settlement of the question in that case would devolve upon the people of British North America, and it may be safely stated that they are not likely to attempt a solution of it in the form which Her Majesty's Government, with all their powerful and just influence have not been able to bring to any satisfactory conclusion.

